Calendar No. 56

102D CONGRESS *1st Session*	SENATE	REPORT 102-38

TELEPHONE RATES AND PROCEDURES FOR OPERATION DESERT STORM PERSONNEL

Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

OF THE

SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ON

S.J. Res. 77

APRIL 16 (legislative day, APRIL 9), 1991.—Ordered to be printed

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APRIL 16 (legislative day, APRIL 9), 1991.—Ordered to be printed

Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

[To accompany S.J. Res. 77]

The Committee on Commerce, Science, and Transportation, to which was referred the joint resolution (S.J. Res. 77) relative to telephone rates and procedures for Operation Desert Storm personnel, having considered the same, reports favorably thereon with an amendment and recommends that the joint resolution as amended do pass.

PURPOSE

The joint resolution is intended to reduce the burden on servicemen and servicewomen, their families, and friends that may result from telephone and other communications between the United States and the Persian Gulf region. The resolution calls upon U.S. Government agencies and local and long distance telephone companies to work to lower rates and adopt reasonable billing practices for these telephone calls.

BACKGROUND AND NEEDS

As a result of the recent war in the Persian Gulf, tens of thousands of U.S. service personnel will be stationed in the Persian Gulf region for serval months, if not years. Even though the war ended at the beginning of March 1991, about 500,000 troops remain in the Persian Gulf region. About 250,000 troops are likely to remain in the region for at least the next six months. Even after treaties between Iraq and the coalition countries are signed, the United States will continue to maintain significant numbers of

service personnel in the region to enforce the treaties and to protect the borders of Kuwait and Saudi Arabia.

Low-cost communications services, including telephone and facsimile services, help these troops to maintain contract with their loved ones in the United States while serving their country halfway around the world. To date, however, there have been several problems related to the provision of these services. In particular, many families unknowingly have incurred large telephone bills in trying to stay in touch with family members and friends serving in the Persian Gulf region.

Additional confusion has been caused by the decision of some long distance telephone companies to provide free telephone services for a few weeks during the Persian Gulf conflict. Many soldiers and families are unaware that these calls are no longer being offered free of charge.

Furthermore, the Saudi Arabian government assesses a surcharge on every international telephone call made to and from that country. Saudi Arabia is collecting a charge of $1.05 per minute for calls using the Saudi Arabian telephone network and a charge of $.73 per minute for calls that do not connect to the network at all.

In addition, some local telephone companies have disconnected telephone service to those who thus have incurred large telephone bills and have not been able to pay these promptly.

LEGISLATIVE HISTORY

The resolution was introduced by Senator Dole on February 21, 1991, and is currently co-sponsored by 25 other Senators, 12 of whom are on the Commerce Committee. On March 19, 1991, in open executive session, the Committee ordered S.J. Res. 77 reported without objection by voice vote.

SUMMARY OF MAJOR PROVISIONS

S.J. Res. 77 calls upon the U.S. Department of State to enter into discussions with the government of Saudi Arabia to eliminate the $.73 surcharge for calls that do not use the Saudi Arabian telephone network and to reduce the charge for calls that do use the network. It also calls upon the Federal Communications Commission [FCC] and State authorities to ensure that the telephone companies adopt flexible billing practices and service disconnect procedures in relation to the costs incurred in communicating with U.S. service personnel in the Persian Gulf region. The resolution directs the long distance telephone carriers to file, and the FCC to consider, tariffs that reduce the rates charged for calls to and from Saudi Arabia.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 10, 1991.

Hon. ERNEST F. HOLLINGS,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S.J. Res. 77, a resolution relative to telephone rates and procedures for Operation Desert Storm personnel, as ordered reported by the Senate Committee on Commerce, Science, and Transportation, March 19, 1991. Because this legislation would encourage but would not require executive branch agencies to take certain actions, CBO estimates that enactment of this resolution would result in no costs for the federal government or state or local governments. Because S.J. Res. 77 would not affect direct spending or receipts of the Federal Government, there would be no pay-as-you-go scoring.

S.J. Res. 77 would encourage the Department of State to convince the Government of Saudi Arabia to reduce charges for calls placed from that country by armed forces personnel. The resolution also would encourage the Federal Communications Commission to use its authority to ensure that telephone service providers adopt flexible billing procedures for calls to and from the Persian Gulf by service personnel or their families, and that no family or spouse is disconnected from basic telephone service because of financial hardship imposed by the cost of such calls.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Marjorie Miller, who can be reached at 226–2860.

Sincerely,

ROBERT D. REISCHAUER,
Director.

REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported.

The legislation should have no impact upon the number and types of persons affected by regulation, because these activities are all well within the existing jurisdictional authority of the government agencies involved. The resolution should have a positive economic impact on U.S. citizens and businesses as a result of the lower telephone rates that should result from implementing the resolution. The resolution will have no impact on the personal privacy of individuals. The resolution will create a limited amount of additional paperwork because of the need for the carriers to file new tariffs with the FCC. This paperwork burden is expected to be minimal, however, as the carriers need only substitute new numbers for the services that they already provide to and from Saudi Arabia.

SECTION-BY-SECTION ANALYSIS

The resolution calls for the four following actions:

(1) the Department of State should immediately undertake to convince Saudi Arabia to eliminate the $.73 per minute surcharge on calls not using the Saudi Arabian telephone network and to reduce the charges for calls that use the network;

(2) the FCC is to exercise its existing regulatory authority to ensure that local and long distance telephone carriers adopt flexible billing procedures and policies regarding costs incurred by service persons or their families for telephone calls to and from the Persian Gulf;

(3) the FCC is to work with State authorities to ensure that no family or spouse is disconnected from basic telephone service due to financial hardship imposed by the costs of such telephone calls; and

(4) the U.S. long distance carriers should file, and the FCC should immediately consider, special reduced rates for calls to and from the Saudi Arabian theatre.

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